



February 20, 2009

## HOUSE BILL No. 1598

DIGEST OF HB 1598 (Updated February 18, 2009 2:58 pm - DI 103)

**Citations Affected:** IC 6-3.5; IC 6-6.

**Synopsis:** Logistics development incentives. Authorizes a county to adopt an ordinance providing a temporary exemption from the wheel tax for vehicles owned and used in the operation of twenty-first century logistics enterprises at certain locations. Authorizes a county to adopt an ordinance providing a temporary exemption from the commercial vehicle excise tax for vehicles owned and used in the operation of twenty-first century logistics enterprises at certain locations. Limits the exemptions to vehicles owned and used at a new logistics enterprise or in the expansion of the fleet of an existing logistics enterprise. Requires the Indiana economic development corporation to certify the owner's eligibility for an exemption.

**Effective:** July 1, 2009.

**Reske, Borrer, Pearson, Michael**

January 16, 2009, read first time and referred to Committee on Small Business and Economic Development.  
February 19, 2009, amended, reported — Do Pass.

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HB 1598—LS 7335/DI 92+



February 20, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## HOUSE BILL No. 1598

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3.5-5-1.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2009]: **Sec. 1.5. (a) As used in this chapter, "adopting county"**  
4 **means a county that adopts an exemption ordinance under section**  
5 **3.5(a) of this chapter.**

6 **(b) As used in this chapter unless the context clearly denotes**  
7 **otherwise, "corporation" refers to the Indiana economic**  
8 **development corporation established by IC 5-28-3-1.**

9 **(c) As used in this chapter, "qualified location" refers to a site**  
10 **located in an adopting county that satisfies either of the following**  
11 **requirements:**

- 12 **(1) The site is located not more than three (3) miles from:**  
13 **(A) an interstate highway other than Interstate Highway**  
14 **465;**  
15 **(B) an airport;**  
16 **(C) a port;**  
17 **(D) a freight railroad depot;**

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- (E) a railroad yard;
- (F) a classification yard;
- (G) an intermodal port; or
- (H) a commuter rail station.

(2) The site is a brownfield (as defined in IC 13-11-2-19.3).

(d) As used in this chapter, "qualified logistics enterprise" refers to a business enterprise engaged in twenty-first century logistics (as described in IC 5-28-10-4(4)).

(e) As used in this chapter, "qualified vehicle" refers to a commercial motor vehicle that is:

- (1) owned by a person who operates a qualified logistics enterprise;
- (2) registered for use in Indiana; and
- (3) primarily used at a qualified location.

SECTION 2. IC 6-3.5-5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3.5. (a) This section applies to a qualified vehicle placed into service in a county that adopts an exemption ordinance under this subsection for a registration year beginning after December 31, 2009, and ending before January 1, 2015. A county fiscal body may provide a temporary exemption from the tax imposed under this chapter by adopting an exemption ordinance after June 30, 2009, and before November 1, 2009. The county fiscal body shall send a certified copy of an ordinance adopted under this subsection to the bureau, the department, and the corporation.

(b) Subject to section 3.7 of this chapter, the owner of a qualified vehicle may claim an exemption under this section in an adopting county if:

- (1) the qualified vehicle is used at a qualified logistics enterprise that commences operations at a qualified location after December 31, 2009; or
- (2) the qualified vehicle is purchased as part of a fleet expansion by an owner who is engaged in a qualified logistics enterprise in operation at a qualified location before January 1, 2010.

(c) A qualified vehicle in an adopting county is exempt from the tax imposed by this chapter for the first five (5) registration years that the qualified vehicle is used at the owner's qualified logistics enterprise.

(d) The exemption provided by this section does not excuse a qualified vehicle from the registration requirements of the

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1 **International Registration Plan or IC 9-18.**

2 (e) Any business that substantially reduces or ceases an  
3 operation located in Indiana and outside a qualified location in  
4 order to relocate in a qualified location in an adopting county is  
5 disqualified from receiving an exemption under this section.

6 SECTION 3. IC 6-3.5-5-3.7 IS ADDED TO THE INDIANA CODE  
7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
8 1, 2009]: Sec. 3.7. (a) The owner of a qualified vehicle in an  
9 adopting county may not claim an exemption under section 3.5 of  
10 this chapter unless the corporation determines that owner is  
11 eligible to receive an exemption under section 3.5 of this chapter.  
12 If the corporation determines that the owner of the vehicle is  
13 eligible for an exemption under section 3.5 of this chapter, the  
14 corporation shall issue a certificate of eligibility to the owner of the  
15 commercial vehicle.

16 (b) The exemption may be claimed for each registration year on  
17 forms prescribed by the department or the bureau, whichever is  
18 appropriate.

19 (c) To claim an exemption under this section, the owner of a  
20 qualified vehicle must submit to the department or the bureau,  
21 whichever is appropriate, the following documents when  
22 registering the vehicle:

23 (1) A copy of the certificate of eligibility issued under  
24 subsection (a).

25 (2) The form required by subsection (b).

26 (d) Subject to section 3.5(c) through 3.5(d) of this chapter, an  
27 exemption may be claimed under section 3.5 of this chapter for a  
28 registration year that begins after December 31, 2009.

29 SECTION 4. IC 6-3.5-5-4 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. A vehicle is exempt  
31 from the wheel tax imposed under this chapter if the vehicle is:

32 (1) owned by this state;

33 (2) owned by a state agency of this state;

34 (3) owned by a political subdivision of this state;

35 (4) subject to the annual license excise surtax imposed under  
36 IC 6-3.5-4; or

37 (5) a bus owned and operated by a religious or nonprofit youth  
38 organization and used to haul persons to religious services or for  
39 the benefit of their members; or

40 (6) subject to section 3.5 of this chapter.

41 SECTION 5. IC 6-6-5.5-1.5 IS ADDED TO THE INDIANA CODE  
42 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2009]: Sec. 1.5. (a) As used in this chapter, "adopting county" means a county that adopts an exemption ordinance under section 3.5(a) of this chapter.

(b) As used in this chapter unless the context clearly denotes otherwise, "corporation" refers to the Indiana economic development corporation established by IC 5-28-3-1.

(c) As used in this chapter, "qualified location" refers to a site located in an adopting county that satisfies either of the following requirements:

(1) The site is located not more than three (3) miles from:

(A) an interstate highway other than Interstate Highway 465;

(B) an airport;

(C) a port;

(D) a freight railroad depot;

(E) a railroad yard;

(F) a classification yard;

(G) an intermodal port; or

(H) a commuter rail station.

(2) The site is a brownfield (as defined in IC 13-11-2-19.3).

(d) As used in this chapter, "qualified logistics enterprise" refers to a business enterprise engaged in twenty-first century logistics (as described in IC 5-28-10-4(4)).

(e) As used in this chapter, "qualified vehicle" refers to a commercial vehicle that is:

(1) owned by a person who operates a qualified logistics enterprise;

(2) registered for use in Indiana; and

(3) primarily used at a qualified location.

SECTION 6. IC 6-6-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) **Except as provided in section 3.5 of this chapter**, there is imposed an annual license excise tax upon commercial vehicles, which tax shall be in lieu of the ad valorem property tax levied for state or local purposes, but in addition to any registration fees imposed on such vehicles.

(b) Owners of commercial vehicles paying an apportioned registration to the state under the International Registration Plan shall pay an apportioned excise tax calculated by dividing in-state actual miles by total fleet miles generated during the preceding year. If in-state miles are estimated for purposes of proportional registration, these miles are divided by total actual and estimated fleet miles.

(c) The tax imposed by this chapter is a listed tax and subject to the

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provisions of IC 6-8.1.

(d) No commercial vehicle subject to taxation under this chapter shall be assessed as personal property for the purpose of the assessment and levy of personal property taxes or shall be subject to ad valorem taxes first due and payable in 2001 or thereafter, whether or not such vehicle is in fact registered pursuant to the motor vehicle registration laws. No person shall be required to give proof of the payment of ad valorem property taxes as a condition to the registration of any vehicle that is subject to the tax imposed by this chapter.

SECTION 7. IC 6-6-5.5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 3.5. (a) This section applies to a qualified vehicle placed into service in a county that adopts an exemption ordinance under this subsection for a registration year beginning after December 31, 2009, and ending before January 1, 2015. A county fiscal body may provide a temporary exemption from the tax imposed under this chapter by adopting an exemption ordinance after June 30, 2009, and before November 1, 2009. The county fiscal body shall send a certified copy of an ordinance adopted under this subsection to the bureau, the department, and the corporation.**

**(b) Subject to section 3.7 of this chapter, the owner of a qualified vehicle may claim an exemption under this section in an adopting county if:**

**(1) the qualified vehicle is used at a qualified logistics enterprise that commences operations at a qualified location after December 31, 2009; or**

**(2) the qualified vehicle is purchased as part of a fleet expansion by an owner who is engaged in a qualified logistics enterprise in operation at a qualified location before January 1, 2010.**

**(c) A qualified vehicle in an adopting county is exempt from the tax imposed by section 3 of this chapter for the first five (5) registration years that the qualified vehicle is used at the owner's qualified logistics enterprise.**

**(d) The exemption provided by this section does not excuse a qualified vehicle from the registration requirements of the International Registration Plan or IC 9-18.**

**(e) Any business that substantially reduces or ceases an operation located in Indiana and outside a qualified location in order to relocate in a qualified location in an adopting county is disqualified from receiving an exemption under this section.**

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SECTION 8. IC 6-6-5.5-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 3.7. (a) The owner of a qualified vehicle in an adopting county may not claim an exemption under section 3.5 of this chapter unless the corporation determines that owner is eligible to receive an exemption under section 3.5 of this chapter. If the corporation determines that the owner of the vehicle is eligible for an exemption under section 3.5 of this chapter, the corporation shall issue a certificate of eligibility to the owner of the commercial vehicle.**

**(b) The exemption may be claimed for each registration year on forms prescribed by the department or the bureau, whichever is appropriate.**

**(c) To claim an exemption under this section, the owner of a qualified vehicle must submit to the department or the bureau, whichever is appropriate, the following documents when registering the vehicle:**

**(1) A copy of the certificate of eligibility issued under subsection (a).**

**(2) The form required by subsection (b).**

**(d) Subject to section 3.5(c) through 3.5(d) of this chapter, an exemption may be claimed under section 3.5 of this chapter for a registration year that begins after December 31, 2009.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Small Business and Economic Development, to which was referred House Bill 1598, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 14, delete "65;" and insert "**465;**".

Page 1, line 17, delete "or".

Page 1, after line 17, begin a new line double block indented and insert:

**"(E) a railroad yard;**

**(F) a classification yard;**

**(G) an intermodal port; or".**

Page 2, line 1, delete "(E)" and insert "**(H)**".

Page 2, delete lines 3 through 5.

Page 2, line 10, after "commercial" add "**motor**".

Page 2, line 20, delete "2013." and insert "**2015.**".

Page 2, line 37, delete "Except as provided in subsection (d), a" and insert "**A**".

Page 2, line 39, delete "two (2)" and insert "**five (5)**".

Page 2, delete lines 41 through 42.

Page 3, delete lines 1 through 4.

Page 3, line 5, delete "(e)" and insert "**(d)**".

Page 3, line 8, delete "(f)" and insert "**(e)**".

Page 4, line 18, delete "65;" and insert "**465;**".

Page 4, line 21, delete "or".

Page 4, between lines 21 and 22, begin a new line double block indented and insert:

**"(E) a railroad yard;**

**(F) a classification yard;**

**(G) an intermodal port; or".**

Page 4, line 22, delete "(E)" and insert "**(H)**".

Page 4, delete lines 24 through 26.

Page 5, line 21, delete "2013." and insert "**2015.**".

Page 5, line 38, delete "Except as provided in subsection (d), a" and insert "**A**".

Page 5, line 40, delete "two (2)" and insert "**five (5)**".

Page 5, delete line 42.

Page 6, delete lines 1 through 5.

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Page 6, line 6, delete "(e)" and insert "**(d)**".

Page 6, line 9, delete "(f)" and insert "**(e)**".

and when so amended that said bill do pass.

(Reference is to HB 1598 as introduced.)

SULLIVAN, Chair

Committee Vote: yeas 11, nays 0.

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